

REPORT FOLLOW-UP

AGENCY: COMMISSION ON THE ARTS

On July 27, 2005, the Legislative Services Office released a *Management Report on Internal Control* for the Idaho Commission on the Arts for fiscal years 2003 and 2004. The Commission was contacted in October 2005, and a 90-day follow-up issued concluding that the one finding and recommendation contained in that report was still open. On March 2, 2006, the Commission was again contacted for follow-up purposes, and this report addresses how it has responded to the one open finding and recommendation.

STATUS OF RECOMMENDATIONS:

FINDING #1 – The Commission was not in compliance with federal grant cash management requirements. Cash advances were not expended in accordance with federal cash management requirements of the National Endowment of the Arts (NEA) grant. NEA requires cash advances reflect current expenditures or funds must be disbursed immediately upon receipt. Some of the advanced funds were not spent until six months after the initial drawdown of funds.

We recommended that the Commission's staff receive additional grant management training and, in the future, comply with all grant restrictions.

AUDIT FOLLOW-UP – Commission staff completed two interactive training CD's in November 2005. The topics covered cash management and OMB's compliance supplement to get ready for the audit. Upon completing the training, Commission staff has a better understanding of the requirements relating to grant management and the audit concerns.

Commission staff is taking significant steps to ensure cash draws are in compliance with NEA general grant terms and conditions. They are implementing a process of using past expenditure information to forecast current cash needs. Cash draws will be completed approximately every 30 days.

STATUS – CLOSED